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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)	
)	
WILLIAM WAYNE WHITWORTH)	CASE NO. 2005-00385
COMPLAINANT)	
v.)	ANSWERS TO COMMISSION
)	STAFF'S FIRST DATA REQUEST
VERIZON WIRELESS)	
DEFENDANT)	

NOW COMES Defendant, Celco Partnership, d/b/a Verizon Wireless, misnamed in the Complaint as Verizon Wireless, and provides the following Answers to the Commission Staff's First Data Request:

1. Describe the relationship between Verizon Wireless and Diversified Consultants Incorporated ("DCI").

ANSWER: DCI operates as a collection agency for Verizon Wireless in the pursuit of monies owed on delinquent Verizon Wireless accounts.

- a. Explain in detail how customer accounts are "referred" to DCI and how the transactions pertaining to customer accounts are handled.

ANSWER: A predetermined percentage of delinquent accounts are randomly assigned to four different collection agencies (DCI being one of those four).

The collection agencies are contractually obligated to operate within the parameters of all federal, state and local laws, including, but not limited to, the Fair Debt Collection Practices Act.

Additionally, the collection agencies are given a minimum percentage of the principal balance and collection fees, which they are authorized to collect as full and final satisfaction of a debt. This percentage is determined by the length of time that a debt has been delinquent, as well as the role of the agency (if they are the primary, secondary, or tertiary collection agency.) If the agency attempts to collect an amount below this minimum as full and final satisfaction of a debt, they must first contact Verizon Wireless for approval.

In the case at hand, DCI would have been contractually authorized to accept 80% of Mr. Whitworth's principal balance plus collection fees as full and final satisfaction of the debt:

Principal Balance	410.71
Collection Fees.....	<u>90.35</u>
Principal Balance + Collection Fees	501.06
Authorized Percentage	<u>80%</u>
Authorized Settlement Amount	400.85

The \$250.53 amount Mr. Whitworth alleges was paid in full and final satisfaction of the debt would have only been 50% of the principal balance plus collection fees. Accordingly, DCI would have had to obtain approval from Verizon Wireless to enter into such an agreement. We have no record of DCI ever seeking approval to do so.

- b. Clarify whether the responsibility for the collection of the debt, upon referral, is permanently assumed by DCI or assigned only on a temporary basis.**

ANSWER: The responsibility for the collection of the debt, upon referral, is temporarily assumed by DCI. The length of time DCI is authorized to pursue payment of the debt is established by contract with Verizon Wireless, though generally it is for a period of six (6) months. However, when a debtor establishes a payment plan with the collection agency that extends past the six-month deadline, the collection agency is usually authorized to continue its collection efforts.

- 2. Provide an affidavit from each individual employed by DCI who either spoke with, or was otherwise in contact with, William Wayne Whitworth. The affidavits should completely describe the content of any conversations or information exchanged between Mr. Whitworth and DCI pertaining to his account(s) with Verizon Wireless.**

ANSWER: As DCI is a separate entity from Verizon Wireless, Verizon Wireless is unable to provide such affidavits.

- 3. Provide all information exchanged between Verizon Wireless and DCI regarding the account(s) of Mr. Whitworth. For example, provide evidence of the notice of payment from DCI to Verizon Wireless that accompanied Mr. Whitworth's payment in the amount of \$250.53 received on or about January 14, 2005.**

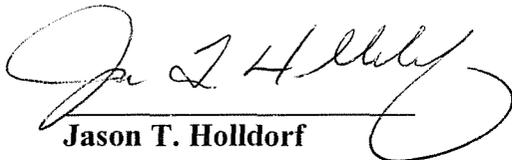
ANSWER: On 1/17/05, DCI wired to Verizon Wireless a total of \$73,499.66, as reflected on the Electronic Invoice Plus on Page 1 of "Exhibit A". One of the payments included in this invoice was a payment in the amount of \$250.53, as reflected on the spreadsheet on Page 2 of "Exhibit A" (Note: all other payments included in this 1/17/05 transaction have been redacted from Page 2).

In general, when a payment is made to DCI that is agreed by both the debtor and DCI, where it is authorized to do so, to be "Payment in Full" (PIF) or "Settled in Full" (SIF), DCI will advise Verizon Wireless of such through an electronic communication made to Verizon Wireless that would change the account classification (the "Chg Off Reason Code") in the Verizon Wireless Recovery Management System (RMS) from "Write-Off Agency" (WOA) to the appropriate classification. Such

In the case at hand, the receipt of the \$250.53 was not coded PIF or SIF, but instead this code remains as "WOA", meaning "Write-Off Agency" (See the forth line down on Page 1 of "Exhibit B"). Further, as contained in our record of payments on the account on Page 2 of "Exhibit B", after the \$250.53 was allocated to Mr. Whitworth's account on 1/20/05, there remained a balance of \$160.18.

WHEREFORE, Complainant has still not presented any documentation to support his claims that there was an agreement in place that would allow him to pay \$250.53 to fully and finally satisfy the debt in question, as well as to have any derogatory reporting of this account removed from the credit bureaus. Accordingly, we once again respectfully request that the Public Service Commission of the State of Kentucky dismiss the claims as they are being made by the Claimant, and thus clear Defendant of any liability in regard to this matter.

Respectfully Submitted,



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“EXHIBIT A”



Electronic Invoice Plus -

Agency Invoice to Verizon Wireless

Agency Tier	Primary	▼
OCA Name	DCI	▼
Statement Cut Off Date	01/16/05	▼

Print Screen Button

Last Revised 12/23/2004

Totals:		OCA Transaction Summary			
From Agency	99,144.19	Tran Code 54	66%	486	\$ 99,144.19
NSF's from Agency	(794.49)	Tran Code 61 and 62	1%	6	\$ (794.49)
Total Gross From Agency	98,349.70	Tran Code 31	15%	114	\$ 4,818.12
Commission From Agency	22,295.31	Tran Code 72	2%	18	\$ 1,251.53
Payments From VZW	11,161.69	Direct Pay(55,57,58,62,64)	15%	112	\$ 11,161.69
Commission From VZW	2,554.73				
Total Commission Due	24,850.04	Agency payments			89.81%
Total Due VZW	73,499.66	VZW Direct Pays			10.19%
Invalid Accounts	0	Agency NSF's			0.73%
Agency Wire Total:	\$73,499.66	Agency Wire Confirmation #:	21147		
Agency Wire Date:	01/17/05				
FOR VZW USE:	Financial File Name:	\\gaa\porcl1\agencygateway\agency\MPDC\OCARMS_FIN_MPDC_20050117.TXT			

Pymt Date	Officer Code	Account#	First Name	Last Name	OCA_Pymt	VZW_DirectPay	TransCode	Rcvr_Code	Assigned_Date
1/14/2005	100037	060059970000000	WAYNE	WHITWORTH	\$250.53	\$0.00	54	MPDC	12/28/04

“EXHIBIT B”

R13F-1 12:49:53 RECOVERY MANAGEMENT SYSTEM NCRMCH3U 11/23/05
 ACTIVE USRG Financial Transactions R50
 Acct...: 060059970000000 Tax No.: **-***-3037 Status....: 390
 Name...: WHITWORTH,WILLIAM W Recoverer.: MSVR

Tran Dt.	Post Dt.	Post Tm.	Tx.	Sts	User ID	Rcvr	Frcvr	Description	Posted Amount	Balance
12/22/04	12/22/04	23:45:22	10	001	BATCH	INIT	INIT	CHARGE OFF PRINCIPAL	410.71	410.71
01/14/05	01/20/05	23:45:03	02	420	BATCH	MPDC	MPDC	SYSTEM-RECOVERY ON PRINCIPAL	250.53	
01/14/05	01/20/05	23:45:04	54	420	BATCH	MPDC	MPDC	MPDC OCA PAYMENT	250.53	160.18

END OF TRANSACTIONS

PF Keys: 3=Prev

7=Back 8=Fwd